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**THE OUTLOOK IN POLAND**

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*Submitted by the*

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## THE OUTLOOK IN POLAND

### THE PROBLEM

To assess the current situation and probable trends in Poland, with special emphasis on regime stability, economic prospects and relations with the USSR.

### SUMMARY

1. Since October 1956, the Gomulka regime in Poland has occupied a unique position within the Sino-Soviet Bloc. It is considerably more independent of Soviet control than any other satellite regime. Many of its policies—e.g., in agriculture, church-state affairs, and relations with the West—depart in important ways from the pattern imposed elsewhere by the Soviets.

2. In general, however, departures from the Bloc norm have gradually become less pronounced during the past year or so, partly as a result of the Polish regime's efforts to stabilize its internal position and partly in response to Soviet pressures for greater conformity. We expect this trend toward a more orthodox position to continue in the foreseeable future, but we believe the present leadership is determined not to return to Stalinism or to full satellite status.

3. We believe that the Soviet Union will almost certainly maintain or increase its efforts to reduce or eliminate the distinctive features of the Polish experiment.

But, since Gomulka would almost certainly combat extreme pressures and would have the support of the Polish people in doing so, we think that the Soviet approach will be cautious. If moderate pressure proves ineffective, however, the USSR might work for Gomulka's ouster. Even in this case, we think that the USSR would resort to military intervention only if developments in Poland were likely to jeopardize the political or military security of the Bloc.

4. Internally, the Gomulka regime has been steadily improving its position. Gomulka's control of the Party—though not completely assured—has increased and the Party's control of the people has improved. Nevertheless, threats to the stability of the regime continue and are clearly apparent in such fields as church-state relations. However, despite the persistent anti-communism of the population, we think that a popular insurrection is unlikely; underlying all considerations in the public mind is the feeling that the Gomulka regime is preferable to any feasible alternatives.

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5. Economically, the regime has made perceptible — though uneven — progress and we do not believe a crisis is imminent. Nevertheless, major economic problems, including a low standard of living, an unbalanced industrial structure, and a deficit in foreign trade accounts, will continue to threaten stability for the foreseeable future. The regime will probably continue to look for realistic rather than strictly doctrinaire answers to these problems.

6. We believe that, as a result of both Soviet and internal pressures, Poland will find it more difficult to diverge from the Bloc line in its relations with the West. Nevertheless, within the limits imposed by its Communist convictions and its membership in the Bloc, the Polish regime will probably attempt to foster an improvement in East-West relations, to expand its economic contacts with the West, and to maintain some freedom of action in the conduct of its foreign affairs generally.

## DISCUSSION

### INTRODUCTION

7. Since its establishment in October 1956, in the face of opposition from the USSR, the present regime in Poland has occupied a unique position within the Sino-Soviet Bloc. Its domestic programs under Party First Secretary Wladyslaw Gomulka are characterized by an approach more flexible than found elsewhere in the Bloc and, if only by the same comparison, are more enlightened in terms of individual welfare and adherence to legality. Gomulka and his supporters are strongly influenced by their Polish heritage and aware of Polish sensitivities. For purely pragmatic reasons they also welcome controlled but widespread contacts with the West, and in order to facilitate their own development and to minimize Soviet pressures, they genuinely advocate a policy of peaceful coexistence.

8. Soviet policy has adhered by and large to the critical decision of October 1956 not to intervene overtly against the reforming movement in the Polish Party. But the Soviet leadership has evidently viewed developments in Poland with an uneasy and watchful sufferance. There have been scarcely-veiled warnings and pressures against a too marked deviation from the ideology and policies approved elsewhere in the Bloc. The Soviet-Polish relationship clearly continues to be marked by some degree of tension and instability.

9. The Gomulka regime initially enjoyed a wide measure of popular support, based mainly on its repudiation of pre-1956 Stalinist excesses, its defiance of Soviet control, and its promises to improve living standards. During the past year or so, however, popular support has clearly diminished as unrealistic popular expectations of an immediate and marked rise in the standard of living have not been met and as the measures and policies actually undertaken by the regime have revealed its continuing adherence to Communism. Central to Gomulka's policies and general attitude are a dedication to the goals of Marxism-Leninism and a genuine allegiance to the concept of a socialist camp. These tenets run contrary to the anti-Russian and anti-Communist feelings of the Polish population.

10. The Gomulka regime, while it does not appear to be in immediate danger, thus continues to face two important sources of instability. As a non-conformist Bloc country, Poland is in a precarious relationship with the USSR so long as the latter insists on enforcing a high degree of uniformity in Bloc policy. Further, as a Communist regime, it is in a shaky position with respect to the Polish people. Thus, while attempting to improve the performance of the Polish economy and to transform the state into a working model of modern Marxism, the regime must also

seek some balance between the mutually conflicting demands of the USSR for Bloc conformity and of the Polish people for a freer and better life.

## INTERNAL PROBLEMS AND PROSPECTS

### Intra-Party Situation

11. When Gomulka became leader of the Polish party in October 1956, he was faced with strong opposition from elements essentially hostile to his "liberalism" or to his "nationalism" or to both. The hard core of such opposition, consisting of the Soviet-oriented "Natolin" faction, sought to disrupt his program and to remove him from high office. In addition, a large (but somewhat nebulous) segment of the party, particularly within the central apparatus and in provincial headquarters, remained uncommitted or was actively hostile. The members of this group feared that the power, prestige, and security of the Party and of themselves personally would be jeopardized by the Gomulka program. Even the party members who helped bring Gomulka to power for the most part supported him as a compromise candidate and as a popular symbol. Gomulka, with only a small personal following, thus found himself at the head of a party of doubtful loyalty which had, moreover, lost virtually all of its influence and much of its control over the people.

12. Since the parliamentary elections of January 1957, Gomulka has devoted great efforts to building his position within the party and restoring the party's authority over the people. This campaign has met with limited success. He has isolated or purged some of his most violent Natolin opponents, has silenced the most outspoken liberals (revisionists), and has improved his control over the apparatus. Active opposition to Gomulka within the party now appears to be sporadic and confined to a minority pro-Soviet element at upper and medium levels and to those in local organizations who have lost place and power. The majority of party members and leaders are probably to some degree anti-Russian and opposed to Soviet domination.

13. Although Gomulka's position is probably not now seriously threatened by a rival clique or by imminent organizational deterioration, his position is not completely assured. In fact, unqualified support of Gomulka is probably confined to a small minority of the active membership. While almost all of the top leaders are presently committed to Gomulka, he has few completely reliable followers in top party organs. Stalinist opponents in the Central Committee appear to comprise almost one-fourth of the total, while the majority of the 76-man body appears to be made up of middle-of-the-roaders who support the regime on a more or less conditional basis. Morale among the party rank and file is low, and despite the recent "verification" campaign which weeded out about 250,000 of the most inactive or corrupt members, such elements remain. At provincial levels, many party functionaries appear to acquiesce reluctantly; more militant, more doctrinaire than Gomulka and the "centrists," this group must be won over if the party is ever to regain full operational strength. Despite all these weaknesses, however, the vast majority of the party sees no acceptable alternative to Gomulka's leadership.

### Internal Policies

14. Since early 1957, the Polish regime has moved openly toward tougher internal policies. Among other indications of such a trend have been the virtual deathblow dealt the powers of the workers councils, the tightening of control over press and publishing, the broadening campaign against liberal intellectuals and journalists, restrictions in certain contacts with the West, the gradual organizational strengthening of the secret police, the increasing stress on Party control, and the growing official emphasis on Poland's ties with the "socialist camp."

15. Most recently, the regime has stiffened its attitude toward the Roman Catholic Church, moving with force against allegedly illegal Church activities and mounting a press campaign against Church policies. This appears at least in part to have been caused by attempts of the Church to expand its influ-

ence and to gain new concessions from the state. The government has apparently remained within the letter of the December 1956 Church-State agreement and has reavowed its intention to continue to do so.

16. All these developments show a more rigorous internal policy, but we do not believe that they signify as yet a basic change in the Gomulka program. Nor do they appear to represent primarily a capitulation to Soviet demands. Most of these moves seem to reflect—in addition to a basically Communist orientation—the regime's attempt to maintain effective control of Polish life, its need to check both liberal and Stalinist elements, its efforts to deal with pressing economic problems, and its attempt to reduce overt points of friction between itself and the USSR. The regime has continued to reassert its belief in the most significant aspects of its program, including the voluntary and gradual collectivization of agriculture, the emphasis on legality, coexistence with the Church, and—in general—the determination to follow a peculiarly Polish road to socialism. The changes that have occurred have been limited to those areas of internal policy in which the regime, as a matter of expediency, had previously given in to strong popular pressures. Independent workers councils, for example, were initially tolerated because their existence was a *fait accompli*—the result of spontaneous worker action—and fostering them seemed less dangerous, at the time, than would have been any attempt to subdue them.

### Economic Situation

17. Since Gomulka's accession to power, Polish economic policy has been freed of certain elements of Marxist dogma and has been considerably less responsive than before to direct Soviet influence. This has resulted in more realistic planning, increased attention to consumer welfare, and growing concern with efficiency in the allocation of resources—developments unaffected by the hardening of the regime's political attitude.

18. These changes in policy, combined with the establishment of more equitable and profitable relations with the Soviet Bloc and the

improvement in relations with the West, have enabled the Polish economy to make perceptible progress since October 1956. Achievements include a notable improvement in food production and distribution, a significant rise in rural incomes and morale, increased supplies of raw materials, and a checking of a serious inflationary trend. Thus the regime appears to have coped with its most serious and immediate problems and to have laid some foundations for future advancement. But progress has been uneven, and has to a large degree been made possible by foreign credits. There has been a fairly rapid growth in industrial production—about seven or eight percent per year since 1956—but a number of important commodity goals have not been met. There has been an improvement in the standard of living, but it has been inadequate to satisfy the expectations of the Polish people. Labor discipline remains bad, worker productivity low. Other problems still to be solved include a desperate and worsening shortage of housing, a low level of worker real income, an unbalanced industrial structure, and a deficit in foreign trade accounts.

19. *Foreign Trade.* The imbalance in foreign trade accounts will probably be the most difficult economic problem facing the country during the 1958–60 period. In the absence of new foreign credits,<sup>1</sup> its solution will require an increase in exports of goods and services of about one-third, even if imports remain at the 1957 level. If imports rise—as is probable—the necessary increase in exports will be even greater.

20. The existing structure of production and demand in Poland makes the balancing of foreign trade especially difficult. Exports of coal, normally Poland's most profitable ex-

<sup>1</sup>Long and medium term credits obtained by Poland from October 1956 to February 1958 amounted to about \$724 million, of which about \$250 million was utilized to finance the deficit on current account in 1957. 36 percent of the credits came from Western sources, and 64 percent from the Soviet Bloc. Short-term commercial credits of some \$56 million were obtained from Western Europe. In addition, the Soviet Union cancelled Poland's existing indebtedness of some \$550 million and increased payments for the use of Polish railways.

port, probably cannot be raised much above the 1958 rate (16 million metric tons a year, compared to about 25 million tons in 1955). Domestic requirements are growing, while investment in the coal industry has been insufficient to provide for both domestic and export needs. Furthermore, foreign demand has fallen off. Machinery exports have been increasing rapidly and great reliance is being placed on them for the period 1958-60, but, the net gain of foreign exchange from exporting machinery is only moderate since the machine building industry has large import requirements. Poland is thus forced by short-run exigencies to export products which, under more normal conditions, would be among the least profitable. This, in turn, compounds the difficulty of achieving a balance in foreign trade.

21. Machinery export goals, tripled from 1955 to 1960, will probably be at least approached as a result of the recent Polish-Soviet trade agreement (which underwrites half of these exports) and agreements with other Bloc countries. This will ease the Polish trading position with the Bloc but will not overcome the foreign exchange shortage with non-Bloc countries. Some further alleviation may be obtained through increased exports of basic chemicals and from an increase in receipts from the Polish merchant marine, from tourism and remittances, and from transit shipments on Polish railways. But the consumer is likely to bear a considerable part of the burden of the foreign exchange shortage; his standard of living will not improve at the rate of the past two years.

22. *Dependence on the USSR.* The inheritance of the Stalinist period and the goals of the Communist party for economic development tend to maintain Polish economic dependence on the USSR. The Bloc is an important source of supply of materials for Polish heavy industry, of liquid fuels, and of machinery and parts. It is also the major market for Polish exports of machinery. The share of the West in Polish foreign trade has been increased from 30 percent in 1954 to 41 percent in 1957 and the Poles are clearly making strong attempts to diversify their foreign

markets and sources of supply. But the Polish government considers most of Poland's trade with the Bloc to be profitable as well as vital to the achievement of present economic goals. The trade agreements negotiated with nearly all Soviet Bloc countries for the period 1958-60 appear to stabilize the Bloc's share of Polish foreign trade at approximately the 1957 level. Moreover, the decline in West European demand for certain important Polish exports (especially coal and meat) and the exhaustion of most sources of Western credits, make an expansion of Polish trade with the West extremely difficult.

23. Despite dependence on the USSR, a partial or complete bloc embargo on trade with Poland would not cause the Polish economy to collapse. At first, Poland would suffer large losses, including severe unemployment in some industries, and, owing to Poland's low standard of living, even a moderate reduction in the availability of consumer goods would be keenly felt by the Polish population. However, supplies of essential consumer goods would be reduced only moderately because Poland is nearly self-sufficient in foods and receives a large share of its imports of materials for light industry from the West. Further, if given a large amount of Western aid to finance a readjustment, the Polish economy could be reoriented to the West, though we believe it very unlikely that the USSR would allow such a re-orientation to occur.

24. A Soviet embargo would have a profound effect on Polish military forces, which are heavily dependent on the USSR for arms, supplies, and equipment. The Polish munitions industry is still small, although it has expanded considerably since 1950. It produces the post-war Soviet T-54 medium tank, Soviet-type World War II artillery ranging from 57-mm up to and including 152-mm guns or gun howitzers, light trucks, the new Soviet small arms, ammunition and spare parts. Production of these items is sufficient for current requirements. The army, however, is still dependent on the USSR for heavy artillery, heavy tanks, and specialized equipment. The Polish air force is even more dependent on the USSR. Polish aircraft production is lim-

ited to the obsolescent Soviet FRESCO (Mig-17) — 20 to 30 a month — and the HARE, a light helicopter; this production could not be sustained for more than 60-90 days without the import of raw materials, components and parts from the Bloc. In addition, the air force relies on the Bloc for its POL, including jet fuel. The Polish navy depends on the USSR for much of its equipment and supply and all ships larger than minesweepers. The extent of Polish military stockpiling is obscure; it is doubtful, however, that the USSR — particularly after the Hungarian revolution — has allowed major accumulations of military supplies from Soviet sources.

### Popular Standing of Regime

25. The limited success Gomulka has had in consolidating his Party position has been achieved at the cost of losing some of the support he once enjoyed among the population at large. Forced by the weakness of his party to rely on popular good will as the mainstay of his regime during the winter of 1956-57, Gomulka was sustained by Polish nationalism and political realism. But even when Gomulka the "patriot" enjoyed nationwide popularity, Gomulka the Communist was accepted only as the best of a bad lot. Now, in part because of belief that the regime is capitulating to Soviet pressures and is resuming a more orthodox Communist stance, both apathy and hostility are growing among the people. Many formerly pro-Gomulka Party intellectuals, for example, have retreated into a non-cooperative silence. They had initially hoped for a gradual evolution in Poland toward a more or less Western European form of social democracy; now that their freedom has been curtailed, they view Gomulka with fewer illusions. Even more important in terms of the regime's stability has been its failure significantly to ameliorate economic conditions. Particularly among the workers the inability of the regime to produce a rapid rise in living standards is responsible for growing disillusionment; alcoholism, corruption, lawlessness, and absenteeism remain major problems. The peasants, who have gained the most from Gomulka's policies, continue to approve of the regime's agricultural

policies, but their traditional suspicions, political conservatism, and religious attachments preclude the development of any staunch support.

26. Despite continued economic difficulties, and the growth of popular disappointment, and even hostility, there have been few overt expressions of dissidence and the frequency of these has been decreasing. The people appear to be held in check primarily by inertia, fear of reprisal, lack of clear or feasible objectives, the regime's continued toleration of relatively free Church activity, and the possibility of Soviet intervention in the event things got out of hand. Underlying all considerations is the feeling that though far from perfect, and perhaps moving in the wrong direction, Gomulka continues to offer some hope and is preferable to the only discernible alternative, a more Soviet-oriented regime.

27. We believe the Polish armed forces are in general loyal to the Gomulka regime, are more Polish than "Satellite" in spirit, and are strongly anti-Soviet in attitude at the rank and file level. However, some of the senior officers in the higher command echelons are probably pro-Soviet. Relations with the Soviet high command now appear to be close and the USSR continues to supply and equip the Polish military establishment. But there are undoubtedly mutual suspicions between the two. It is almost certain that there has been no resumption of the degree of coordination characteristic of the period when Soviet Marshal Konstantin Rokossovsky was Polish Minister of Defense.

### Internal Prospects

28. We believe that — barring a sudden and major change in Poland's relations with the Soviet Union — the Gomulka regime will probably be able to survive the manifold internal threats to its position. We do anticipate, however, a more or less chronic state of instability within the Party and in the regime's relations with the people. We do not foresee any moves which will enable Gomulka to create a fully loyal and effective Party or to gain other than conditional acceptance from the public. And, given this state of in-

stability, we anticipate occasional flare-ups in the public temper, including scattered strikes and possibly riots. Spontaneous violence on a scale sufficient to jeopardize the regime's position, although unlikely during the next few years, cannot be excluded as a possibility. It could result from reactions to individual acts of the regime, much as serious riots in Warsaw resulted from the banning of the journal *Po Prostu* announced in October 1957. It could also result from reactions to an accumulation of events and policies, such as a major deterioration in the standard of living or a clear retrogression toward Soviet-style Communism.

29. Given the nature of much of his Party support, a legal ouster of Gomulka — i.e., by vote of the Central Committee — is, while not likely, possible under certain circumstances. If, for example, major economic failures precipitated a crisis, or if the USSR presented the regime with some form of ultimatum, the Central Committee might decide on Gomulka's ouster. Any successor likely to appear in such circumstances would probably move in the direction of further restrictions on personal liberty, internal programs more in conformity with those approved elsewhere in the Bloc, and closer dependence on the support and guidance of the Soviet Party. In the event of Gomulka's death, there are others who would try to carry on his regime. They might succeed in doing so, but there would probably be greatly increased pressures from the Stalinist wing of the party, opposite pressures from the general public, and possibly new attempts by the USSR to reassert control.

30. In its domestic policies, the regime's determination to restore Party supremacy will continue. The Party will almost certainly continue its efforts to improve its control of non-Party organizations. Greater official emphasis will probably be placed on the need for agricultural socialization, but we do not expect any important changes in agricultural policies. The regime will probably continue to prefer legal methods of rule and will refrain from terror tactics except as a last resort, but it will almost certainly not hesitate

to use "administrative" measures in cases where milder tactics have failed. Toleration of certain aberrations, such as the right of Catholic deputies in the parliament to criticize freely, will be continued only so long as such practices do not receive great publicity and do not jeopardize basic policy.

31. The Church-state conflict will almost certainly continue and the regime is likely to step up its efforts to delimit the Church's influence and activities. But while recurring crises are probable, both sides appear to recognize the need for the present *modus vivendi*. The regime will probably not return to brutal persecution, and will certainly seek to avoid any measures so intense as seriously to risk extensive popular disturbances.

32. It is also our conclusion that the Gomulka regime will probably try to maintain its present course toward a new political and economic model. Within the trend toward a strengthening of Party dominance and toward at least exterior orthodoxy, the regime will probably seek to be relatively moderate in its dealings with the people and will continue to look for realistic rather than strictly doctrinaire answers to its economic problems.

33. The success of such an experiment, however, is not as yet assured. Even aside from Soviet pressures for greater conformity, there are internal reasons why the regime might be tempted to abandon moderation and flexibility. An inability to cope with economic problems through other than "administrative" measures, for example, might lead to a pronounced stiffening in the over-all line. If there are more strikes or more protest movements in the universities, the regime, to keep control, would probably react with the necessary force. This, in turn, would further alienate public opinion — already made suspicious by the trend of recent events — strengthen the Stalinists and the conservatives, and, perhaps, persuade even the sincere devotees of "socialist legality" that their policy was politically unrealistic. In short, it is possible that the only way the Party in Poland can ultimately retain its supremacy in a hostile environment is through recourse to force.

Though there may never be a full return to "Stalinism," the behavior of the regime in Poland could, under these circumstances, become different only in degree from the behavior of the hard-line regimes in the other Satellites. In these circumstances, it is possible that Gomulka would resign or be forced from office.

34. *Economic Outlook.* We believe that Poland's economic situation is likely to remain severely strained during the next few years. We anticipate a decline in the availability of foreign credits, growing investment requirements in most economic sectors, and little increase in personal consumption. In addition, because of the difficulty of increasing coal exports and the competition of domestic demand for consumer goods and construction materials, we doubt that the regime will be able to expand exports sufficiently to achieve a balance on foreign transactions in goods and services, even by 1960. Finally, since recent rates of increase in agricultural production were in part the result of exceptionally good weather, they are unlikely to be maintained, even though we expect liberal agricultural policies to lead to a continued growth in average annual outputs.

35. Considerable opportunities exist to improve efficiency in the allocation and management of resources outside agriculture. The government is reducing the scope of central planning and increasing the degree of freedom allowed producers, and it intends to reform the price and distribution system. But these measures are being introduced slowly and are unlikely to have much effect in the next year or two.

36. In general, we believe that economic difficulties, and the troubles they cause in terms of the regime's relations with the people, will remain a key problem for the regime. Dissension within the party over both specific measures and the general trend in economic policies is also unlikely to be resolved. But we expect a continuation of Gomulka's cautious program for reform and, on balance, believe that the regime will be able to avoid a major economic crisis.

#### RELATIONS WITH THE USSR

37. The uneasy state of relations between Poland and the USSR following the Polish "October Revolution" was calmed in the spring of 1957 when the two parties apparently compromised their differences. In exchange for Polish promises to adhere to certain "basic laws of socialism" (later codified at the Bloc conference in Moscow in November 1957), the Soviets apparently decided to tolerate the Polish experiment. As a consequence, the Poles sought to avoid or muffle any major difficulties with the USSR and the Soviets withdrew at least their open support of Gomulka's opponents at home. In public utterances, both sides reavowed their "unshakeable friendship" and relations in general appeared to be mutually satisfactory.

38. The regime's desire to reach an understanding with the USSR was not based only on its fear of possible Soviet reprisals and its exposed geopolitical position. There is a genuine identity of interests between Poland and the USSR on some key areas of foreign policy, especially on West German rearmament. The status of the Oder-Neisse frontier colors Poland's entire international outlook; so long as the USSR is the only great power to recognize the permanency of the Oder-Neisse, Warsaw will consider that it has good reason to maintain a close alliance with Moscow. The possession of the Western provinces thus limits the Polish freedom of maneuver between East and West. Apart from matters of *Realpolitik*, there is a basic ideological agreement between the Polish and Soviet regimes. The Polish regime is sincerely loyal to the concept of a socialist camp, though it would certainly welcome changes within the Bloc structure, and, fundamentally, the Polish Communist party depends on Soviet power for its own survival.

39. *Soviet Pressure.* Moscow has embarked on a vigorous campaign to strengthen Bloc unity and to eliminate the "revisionist" danger. Steps undertaken in the course of this campaign — such as the attempt to solidify CEMA, the establishment of a new international Communist journal, the break with Yugoslavia, and the execution of Imre Nagy

— have had pointed implications for the Polish Party, which is clearly regarded as infected with "revisionism." In addition, the USSR has criticized some aspects of Poland's internal situation, including agricultural decollectivization, but in general it has done so indirectly and by implication, and apparently has refrained from exerting much pressure on these points.

40. Polish reaction to Soviet pressures has been conciliatory. But while Poland compromised on issues such as Yugoslavia and the Nagy execution, it did not adopt the Bloc line in full. Similarly, the Poles have been willing to stress their affiliation with the Bloc, rather than their individual road to socialism, but they continue to refer to the USSR as the "first" or "central" and "most powerful" socialist state, rather than to adopt the less ambiguous line followed elsewhere that it is the "leader of the socialist camp."

### Prospects

41. The precise nature of the Soviet pressures which may be used against Polish non-conformity cannot be forecast with any degree of certainty. They could range from gradual, indirect, and only mildly compelling measures to direct action, including even military intervention. We believe that the Soviets would resort to the latter extreme only if they concluded that developments in Poland were likely to jeopardize the political or military security of the Bloc. Moscow may for the present view Gomulka as the best man to insure internal Polish stability. Further, it probably believes that the trend in Poland is already in the Soviet-desired direction, and may expect some acceleration of this trend to result from possible Western moves, such as the withdrawal of US aid or the acquisition of atomic arms by West Germany. We thus foresee a low-keyed Soviet approach calculated to gain a succession of Polish retreats on several issues and aimed at reducing or eliminating the distinctive features of the Polish experiment.

42. We believe that Polish efforts to maintain a workable agreement with the USSR and to steer clear of crises in that relation-

ship will continue in the foreseeable future to be one of the regime's key policies. There is a wide area, particularly in the field of foreign policy, in which the Polish Party would probably be willing, if necessary, to defer to Moscow's wishes. Gomulka might — for the sake of Bloc unity — join in campaigns or actions of which he would not otherwise approve. He might also under certain circumstances, diminish his friendly contacts with the West if he believed that by so doing he could avoid jeopardizing his own power position and the Polish Party's independence of Soviet control.

43. Although a Soviet demand that the Poles give up US aid appears unlikely in the near future, Moscow could make such a move at any time.<sup>2</sup> We believe that the regime would probably give in to such a demand, particularly if Moscow were willing to make up whatever losses the Polish economy would incur. Publicly, the regime would probably attempt to justify such an action by alleging US provocation. Privately, the regime could console itself by the contention that capitulation on this issue need not impair its internal independence.

44. The Polish regime would be most likely to stand up to Soviet pressures if it felt that its own organizational autonomy were seriously jeopardized. Thus, if Soviet moves appeared to be designed to reassert Moscow's control over party organizational matters, such as the composition of top party organs, we would expect the regime to resist. We would also anticipate resistance to Soviet demands for immediate major changes in key internal policies — those that form the identifying features of the Polish road to socialism,

<sup>2</sup> Khrushchev appeared to condemn all American aid to the Satellites in his blasts at the Yugoslavs. But he himself has asked for American trade credits and in mid-July he, in effect, sanctioned the Polish policy by stating that "we do not see anything bad" in "capitalist credits" to socialist states "marching in step with all socialist countries." To some extent, Khrushchev thus seems to be using the US aid program as a lever to use against the Poles; i.e. the aid desired by Warsaw can continue, according to Khrushchev, only so long as the Polish regime is faithful to the Soviets.

such as gradualism in agricultural collectivization.

45. Should Polish-Soviet relations reach a crisis stage — because of Polish resistance to Soviet pressures or a Soviet ultimatum — the Poles would clearly be operating at a disadvantage. The USSR has at its disposal and in readiness a variety of political and economic weapons — such as subversion and boycott — which could be used to great effect against Warsaw. And, of course, if resort to non-violent methods proved fruitless, the USSR could intervene with force.

46. There are drawbacks for the Soviet Union, however, in any major effort to coerce Poland. It is doubtful, for example, that — despite the questionable loyalty of some elements of the Polish secret police and the existence of pro-Soviet elements within the Polish Party — the Soviet leaders could estimate that subversive action against the Polish regime would succeed. Nor could they conclude that a cessation of trade and aid would necessarily mean an immediate collapse of the Polish economy. In fact, large-scale economic sanctions against the Poles would probably be effective only if the resulting shift of Poland's economic orientation to the West were inhibited by the threat of military force. There would be personal suffering and major dislocations in the economy in the event of a Bloc economic blockade, but, in these circumstances, popular support of the regime would probably increase.

47. It is our belief that a Soviet military campaign against Poland would — if opposed by the regime — meet stiff, albeit relatively short-lived, resistance from the Polish armed forces. If a Polish regime asked for Soviet military assistance to maintain itself in the face of a popular insurrection, the Polish military would probably be divided in its allegiance and organized resistance to the Soviets would not be possible. In either of the above contingencies, however, individuals and small units would continue harassing activities for as long as possible.

48. In sum, we believe that the USSR, because of the many disadvantages and uncertainties involved in direct action, will seek to gain

greater Polish conformity through gradual means rather than through extreme pressures. We also think that the Soviets continue to estimate that the Gomulka regime will conform, at least to the minimum degree required by Moscow, and that, therefore, the USSR will prefer to work through the Gomulka regime rather than attempt to effect its ouster. But because we cannot judge with certainty the precise nature of Soviet pressures and Polish reaction to them, we are unable to rule out the possibility that Soviet-Polish relations might at some stage develop into an open crisis.

#### RELATIONS WITH THE BLOC AND YUGOSLAVIA

49. *The Satellites.* Polish policies toward the remainder of the Soviet Bloc do not appear to differ materially from the prescribed norm. "Friendly socialist relations" are maintained with few visible strains. Probably in part as a result of Soviet pressure, Gomulka has gone out of his way to reassure the other Satellites of his loyalty to socialism and has carefully avoided any "missionary" work in other Bloc states. But, beneath the surface, there is almost certainly some lingering degree of suspicion or animosity between Poland and some of the other Bloc states. Privately, some Polish officials barely conceal their distaste for Czech and East German Stalinism and Soviet-worship and until the spring of this year the regime maintained an obviously cold attitude toward the party and government in Hungary. We believe, however, that Gomulka's efforts to maintain correct relations with other Bloc states will continue. Satellite reaction will be pre-determined by the general Soviet policy.

50. *Communist China.* Polish relations with Communist China are also correct and outwardly conform to the Bloc-wide pattern. But Warsaw's onetime optimism, its belief that the Chinese party was an ideological brother-in-arms, has disintegrated as a result of the increasingly hard-line attitude of Peiping. Thus the once cordial feelings of the Polish regime have been replaced by disillusionment and wariness. Although growing trade ties are not likely to be affected,

Poland, in our belief, will continue to resent what it interprets as Peiping's switch in policy. The attempt to develop special political relations with Communist China has already been abandoned and is not likely to be resumed in the foreseeable future on the initiative of either party. Communist China can be expected to go along with any heightened pressures against Poland and, indeed, might play a major role (as it has against Belgrade) in any such campaign.

51. *Yugoslavia.* Once hopeful of expanding economic and political ties with Yugoslavia, Poland has been forced by the Bloc's condemnation of Tito into a difficult position. Warsaw has not joined the Bloc campaign with any enthusiasm and has to date avoided making many of the harsher statements now standard in other Bloc capitals. Furthermore, it has not reduced in any way its efforts to maintain close contact with Yugoslavia through exchange delegations, cultural ties, and economic relations. Nevertheless, the Gomulka regime has condemned certain facets of Yugoslav ideology and has branded the Yugoslav Party as solely responsible for the current state of tension. While the condemnation is probably sincere, the charge that only Yugoslavia is guilty was made largely as a result of Gomulka's interest in Bloc solidarity.

52. We believe that Warsaw will do everything it deems feasible to keep relations with Yugoslavia friendly and we expect Poland to continue to drag its feet in the anti-Yugoslav campaign. But, in the event that the USSR takes further steps against Yugoslavia, such as a break in trade relations, and insists that the Bloc follow suit, we think it probable that the Gomulka regime would capitulate, albeit reluctantly.

#### RELATIONS WITH THE WEST

53. Polish policy toward the West is based on the same doctrinal foundations as that of the Soviet Union and all other members of the Sino-Soviet Bloc. These foundations are Marxist-Leninist and include the concept of the inevitable triumph of Communism. Moreover, Polish policy is far more often than not

a witting instrument of the USSR. Even proposals apparently initiated by Warsaw for its own purposes, such as the Rapacki Plan, coincide with Soviet policies.

54. In certain respects, however, the Polish regime has developed in practice a unique line. This was more pronounced in the immediate post-October 1956 era, but divergencies from Bloc practice still exist. The Polish policy of permitting relatively free ties with the West on both an official and private level, although ostensibly in accord with the USSR's own program, far surpasses anything followed elsewhere in the Bloc. For example, Poland is pressing for admission to such economic institutions as the International Bank and Fund and the General Agreement on Trade and Tariffs. Even more important are the suspension of jamming of broadcasts from the West and the receipt of economic aid from the US, developments which have no Bloc parallels.

55. Despite some signs of Soviet concern, the Polish regime has continued to press for American economic aid. While we do not believe that a continuation of this aid at roughly present levels (\$95 million in 1957 and \$98 million in 1958, principally in commodity credits) will basically alter either the Polish economy or the political convictions of the Polish leaders, it is valuable to the regime in its relations with the USSR and its own subjects as well as useful economically.<sup>3</sup> Were

<sup>3</sup> Poland's large existing reserves of grain are due in large part to the two recent US loans to that country. These reserves were probably a contributing factor in the government's decision to reduce compulsory deliveries of grain by one-third and, if supplemented by additional US grain shipments, may lead to a final elimination of compulsory deliveries during 1959-60. Reduced compulsory deliveries, in turn, freed larger amounts of grain for use as feed and thereby helped to improve meat and milk production. Imports of other consumer goods went directly into consumption or were used primarily to replenish depleted stocks. The two principal functions of a possible future US credit to Poland would be: (1) to raise availabilities of certain consumer goods (i.e. clothing from imported cotton and wool, shoes from imported raw hides, etc.), and (2) to hasten the development of the

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US aid discontinued, Poland would almost certainly drift closer to Communist conformity. Such a move would probably strengthen the hands of Party elements in Poland who oppose Gomulka and his program; would destroy Polish chances to use its economic ties with the US as a bargaining point with the Soviet Union; would probably prevent the execution of some Polish plans for a gradualist approach to "socialism"; and would damage, if not destroy the hopes in other Satellites, whatever their extent, of eventually going the road of Poland.

56. There appear to be four principal reasons for the Polish regime's departures from the Bloc line on foreign policy: (1) the symbolic value of even modest divergencies from the Bloc line in terms of the regime's relations with the Polish people; (2) its apparently genuine desire for international detente, which is, in turn, a reflection of the conviction that heightened East-West tension perforce jeopardizes the regime's ability to exercise a degree of independence; (3) its view of the West as a source of economic and technical aid and, possibly, as a lever to be used against the USSR in certain situations; and (4) its concern with national interest — as opposed to Bloc interest — and its unique ability to date to further such interests. Underlying these factors is a general attitude within the regime which is more cosmopolitan and less xenophobic than that characteristic of Moscow.

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light and food industries. The need for additional consumer goods will become particularly acute when compulsory deliveries in agriculture are abolished. Possibly even more important from a long-run standpoint would be the purchase of US or West European machinery and equipment for which adequate substitutes cannot be found in Poland or in other Bloc countries. Bottlenecks in food processing and textiles could thereby be avoided and the modernization of these industries hastened.

57. Despite sentiments on both sides for closer contacts, Polish-West German relations are currently confined at the official level to economic affairs. The problem of a resumption of diplomatic relations between the two countries is thwarted by sensitivities regarding the recognition of East Germany and the question of the Oder-Neisse line. The question is further complicated by Polish concern over possibly hostile Soviet reactions to the development of any especially close Polish-West German ties. These factors, combined with traditional animosities between the two peoples, have led to an impasse which is not likely to be resolved in the near future except through West German initiative and willingness to accept Polish terms.

58. Although the Gomulka regime will probably continue to seek to retain some freedom of action in its conduct of foreign affairs, we believe that it will become more and more difficult for it to do so. Pressures for conformity originating from the Bloc and from within Poland itself will probably increasingly circumscribe such efforts. As a result of the Soviet position — and perhaps of specific Soviet guidance — the regime has already aligned its international posture more closely with that of the Bloc and is likely to continue to do so. It is becoming somewhat more difficult for a private Polish citizen to maintain close contacts with the West. As a result of increasing concern over Western press accounts which stress Polish differences with the USSR, the regime has stiffened in its attitude toward Western newsmen. Sensitivity on this score could eventually lead to severe restrictions on foreign correspondents and fear of the consequences of Western broadcasts concerning such issues as the Church-state conflict could result in a resumption of radio jamming.

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